



Association of Major Power Consumers in Ontario

August 27, 2004

Peter O'Dell  
Acting Board Secretary  
Ontario Energy Board  
P.O. Box 2319  
2300 Yonge Street  
26<sup>th</sup> Floor  
Toronto, Ontario M4P 1E4

Dear Mr. O'Dell:

**Re:RP-2004-0188 2006 Electricity Distribution Rates (“2006 EDR”)**

The Association of Major Power Consumers in Ontario ("AMPCO") herein submits its request for stakeholder funding in order to participate in the Ontario Energy Board's process to establish electricity distribution rates for the 2006 rate year.

**I. Participant's Interest and Receipt of Instruction:**

AMPCO is a province-wide industry organization that advocates competitive electricity prices and promotes an adequate and reliable supply of electricity for all customers. AMPCO's some 55 members, comprising the largest industrial electricity consumer advocacy group in Canada, represent a wide range of resource, manufacturing and processing industries that use very large amounts of electrical energy (over 5 MW of demand each). Collectively AMPCO members consume some 17% of the province's annual electricity supply (approximately 25 TWh of electricity annually), consumption worth well in excess of \$1 billion to the Ontario economy. AMPCO and its member companies are well known to the Board.

Many AMPCO members are Direct Customers of Hydro One supplied through the Hydro One LV system and Large Users of other LDCs. These members will be affected by this process to revise the Distribution Rate Handbook used as a guide in setting distribution rates.

AMPCO representatives receive their instructions from the AMPCO Board which is elected by the AMPCO members to represent their interests. As President of AMPCO, I have daily contact with many AMPCO members and communicate with the Executive Committee of the Board of Directors on a very frequent basis, and no less than once per week, typically via conference calls and/or face-to-face meetings. Important issues are debated among the executive members under my facilitation, and policy decisions are made generally by consensus management. Instructions with respect to this proceeding will primarily come via this method. Approximately six to eight times per year, AMPCO holds a meeting of its Board of Directors, during which important electricity and energy issues are debated and policy decisions are made; this is influenced by the ongoing work of the Executive Committee and the President.

AMPCO communicates with members on current issues via newsletters and emails, as well as via the members-only section of the organization's website; members typically provide direct feedback on such issues via email and phone calls; as well, AMPCO holds two formal members' meetings per year, during which information on current issues is shared.

Similar to its participation in previous OEB rate processes, AMPCO will represent the interest of large industrial customers by using consultants for working group discussions and a combination of consultants and counsel for formal hearings.

## **II. Issues and Positions:**

The most important issue to AMPCO is a thorough revision to distribution rates based on cost allocation. However, AMPCO recognizes that a complete cost allocation has been excluded from this hearing. In this process AMPCO will focus on the following issues as they affect Large Users:

- Issue 36 Cost Allocation
- Issue 32 Fixed/Variable
- Issue 1 Comparators and Cohorts

AMPCO also has an interest in all issues that affect the revenue requirement. However AMPCO recognizes that all other consumer groups have a common interest in ensuring that the revenue requirement is not set at an unreasonably high level. As in the past, AMPCO will try not to duplicate the activities of other consumer groups with respect to these issues.

## **III. Budget of the Costs of Participation:**

AMPCO will be represented by either its President or Consultant or Director, Membership Services (consultant) in attending the Issues Conference, the meetings of the Working Groups, the ADR Conference and Hearing. Legal advice will be provided by external legal counsel. There will be no accommodation or air travel costs, but minor ground travel costs.

AMPCO estimates the following:

### **1. Issues Conference**

Consultant:

1 day preparation + 2 days conference = 3 days x 8 hrs x \$150 = \$3600

### **2. Working Groups (Assumes participation in 2 groups: Comparators and Rate Design)**

Consultant

4 days preparation and attendance = 4 days x 8 hrs x \$150 = \$4800

### **3. ADR Conference**

Consultant:

1 day preparation + 2 days conference = 3 days x 8 hrs x \$150 = \$3600

Lawyer:

1 day preparation + 2 days conference = 3 days x 8 hrs x \$400 = \$9600

#### 4. Hearing Process

##### Preparation (review submissions and prepare IRs):

Consultant:  
3 days = 3 days x 8 hrs x \$150 = \$3600

Lawyer  
2 days = 2 days x 8 hrs x \$400 = \$6400

##### Hearing (assuming 3 days)

Consultant:  
2 days preparation + 3 days attend + 2 days prepare final argument  
= 7 days x 8 hrs x \$150 = \$8400

Lawyer:  
2 days preparation + 3 days attend + 1 day prepare final argument  
= 6 days x 8 hrs x \$400 = \$19,200

##### Expert Evidence

##### Prepare and Submit Evidence:

Consultant  
3 days = 3 days x 8 hrs x \$210 = \$5040

Lawyer  
1 days = 1 days x 8 hrs x \$400 = \$3200

##### Answer IRs on Evidence:

Consultant  
1 day = 1 days x 8 hrs x \$210 = \$1680

Lawyer  
1 day = 1 days x 8 hrs x \$400 = \$3200

##### Attend Hearing:

Consultant  
1 day = 1 days x 8 hrs x \$210 = \$1680

##### Case Manager

Consultant  
8 days = 8 days x 8 hrs x \$150 = \$9600

##### TOTAL REQUEST:

Consultant = 160 hours x \$150/hour = \$24,000

Lawyer = 80 hours x \$400/hour = \$32,000

Expert Witness Consultant = 40 hours x \$210/hour = \$8,400

Case Manager = 64 hours x \$150/hour = \$9,600

TOTAL: \$74,000

**IV. Funding Requested:**

AMPCO requests funding of \$74,000. Costs will be claimed and supported by receipts.

**V. Other Sources of Funding to be Accessed:**

AMPCO relies completely on members' fees to fund its operations, government relations, and regulatory intervention. Such fees cover the professional salary of its President and administrator/bookkeeper, as well as costs for expert consultants and legal advice. When preparing its budget for 2004, AMPCO had not included an amount to capture the costs of its involvement in this proceeding, and AMPCO's budget is being stretched to the limit because of the large volume of government changes, IMO and OEB processes that are underway. All of these processes could have significant impact on AMPCO members, and thus it is imperative that AMPCO participate to the best of its ability, yet efficiently, in all of these proceedings.

**VI. Co-ordination with Other Parties of Like Interest:**

AMPCO has traditionally worked collaboratively with many stakeholders to try to affect the course of public policy, through the development of practical policy solutions. However, AMPCO does not expect that any other party to this process will represent the specific interests of large industrial users. If one or more large industrial takes part in the process to represent their specific interest, AMPCO will attempt to coordinate with them to avoid duplication. AMPCO has already indicated that it does not intend to duplicate the participation of other consumer groups, in seeking to avoid unnecessarily high approved levels of revenue requirement.

Yours Truly



Mary Ellen Richardson  
President  
Association of Major Power Consumers in Ontario

c.c.: Ken Snelson